

Program B: Marketing Programs

Program Authorization: R.S. 36:628(B)

PROGRAM DESCRIPTION

The mission of the Marketing Program is to increase the processing and sales of Louisiana food and agricultural products of producers and agribusinesses in order to enhance the economic well-being of the State of Louisiana through the individuals and businesses whom we serve. The goal of the Marketing Program is to create and sustain markets and affect jobs through its development of value-added food, agriculture and forestry products industries by way of financial assistance and counsel. To carry out this goal, the program operates financial, informational, promotional and market development activities. Financial assistance is provided through the State Market Commission, the Louisiana Alligator Market Development Authority, and the Louisiana Agricultural Finance Authority. Loans, loan guarantees, loan rate buy downs and low interest loans are provided to agribusiness for the for the acquisition, construction, expansion or improvement of facilities that process, store or market food (including seafood), agriculture and forest products; to agribusiness for operating capital, market development & product inventories; and to youth who are involved in an organized school program in agriculture, i.e. 4H and FFA projects. Informational assistance programs are provided to the general public, farmers and agribusinesses through the Federal-State Market News Service and Market Bulletin. The Market News Service collects and disseminates price and market information on livestock, poultry and eggs, rice, grains, sweet potatoes, fruits and vegetables. The Market Bulletin provides for the advertising of agricultural items for sale to subscribers resulting in the sale/purchase of items not normally available in commercial trade channels. Promotional and market development programs serve farmers, agribusinesses, food companies and the consumer through state, national and international trade shows, supermarket promotions market research, commodity promotions, targeted market development assistance and other activities. The program also includes assistance in the collection of assessments for numerous commodity boards and commissions, and the development and implementation of promotion and market development activities of theses boards and commissions. The activities of this program are Administrative, Market Development, and Louisiana Agricultural Finance Authority.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To create or sustain at least 6,500 jobs in the agribusiness sector through a revolving loan fund, a loan guarantee strategy and other efforts.

Strategic Link: This objective accomplishes Strategic Objective 1: *To retain, expand and grow new agribusinesses in Louisiana and to provide low interest loans to farm youth, producers and processors of Louisiana agricultural products.*

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Jobs created or sustained ¹	5,200	7,939	5,800	5,800	6,500	6,500

¹ Number of jobs determined using a multiplier and impact analysis model.

2. (KEY) To assist at least 130 students to participate in agriculture-related, organized school projects through the provision of loans for the purchase of stock.

Strategic Link: This objective accomplishes Strategic Objective 1.9: *To provide low interest loans to youth of the state who are members of any 4-H, FFA or other farm youth organization, thereby instilling the sense of the business of agriculture.*

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD	ACTUAL YEAREND PERFORMANCE	ACT 11 PERFORMANCE STANDARD	EXISTING PERFORMANCE STANDARD	AT CONTINUATION BUDGET LEVEL	AT RECOMMENDED BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
K	Number of youth with outstanding loans	200	131	200	200	130 ¹	130
K	Number of new loans issued	15	14	15	15	15	15

¹ The strength of the present economy has allowed many students to pay off loans.

3. (KEY) To provide opportunities for the sale of agricultural products and services to about 15,000 *Louisiana Market Bulletin* subscribers on a bi-weekly basis at a cost per copy not to exceed \$0.30.

Strategic Link: This objective accomplishes Strategic Objective 2.1: *To compile market reports on livestock, fruits and vegetables, grain, rice, poultry and eggs, and pecans that will aid producers, consumers and distributors in the sale and purchase of the reported commodities.*

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD	ACTUAL YEAREND PERFORMANCE	ACT 11 PERFORMANCE STANDARD	EXISTING PERFORMANCE STANDARD	AT CONTINUATION BUDGET LEVEL	AT RECOMMENDED BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
K	Cost per copy	\$0.42	\$0.25	\$0.42	\$0.42	\$0.30	\$0.30
S	Total number of copies of <i>Market Bulletin</i> mailed	432,000	407,954	432,000	432,000	400,000 ¹	400,000
S	Total number of advertisement opportunities provided	10,400	10,464	10,400	10,400	10,400	10,400

¹ The availability of the *Market Bulletin* on the department's website reduces the need for paper copies which require a paid subscription. This number is expected to continue to decline each year.

4. (KEY) To ensure that accurate and timely information is available to the state's agricultural community the program by ensuring that 16 agriculture market reporters maintain their accreditation with the U.S. Department of Agriculture.

Strategic Link: This objective accomplishes Strategic Objective 2.3: *To maintain training and certification by USDA of livestock brand inspectors, health technicians and meat inspectors to serve as livestock market reporters in order to represent over 95% of cattle sold in Louisiana livestock auction markets.*

L E V E L		PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD	ACTUAL YEAREND PERFORMANCE	ACT 11 PERFORMANCE STANDARD	EXISTING PERFORMANCE STANDARD	AT CONTINUATION BUDGET LEVEL	AT RECOMMENDED BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
	PERFORMANCE INDICATOR NAME						
K	Number of accredited reporters	16	16	16	16	16	16

5. (KEY) To provide opportunities for at least 150 agricultural and forestry companies to market their products at 7 supermarket promotions and 12 trade shows.

Strategic Link: This objective accomplishes Strategic Objective 3: *To increase the sales of Louisiana food and agricultural products by improving the ability of Louisiana firms and producers to develop and capitalize upon marketing and sales opportunities; and to project a positive image of Louisiana food and agricultural products in the domestic and international marketplace.*

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD	ACTUAL YEAREND PERFORMANCE	ACT 11 PERFORMANCE STANDARD	EXISTING PERFORMANCE STANDARD	AT CONTINUATION BUDGET LEVEL	AT RECOMMENDED BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
K	Total companies participating	275	198	225	225	175 ¹	150
S	Number of companies participating in trade shows	125	109	100	100	70 ¹	50
S	Number of companies participating in retail promotions	150	89	125	125	105	95

¹ The program anticipates fewer trade shows.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$1,771,845	\$1,680,041	\$1,680,041	\$1,815,762	\$1,577,842	(\$102,199)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	1,009,488	329,320	329,320	329,320	329,320	0
Statutory Dedications	0	154,344	154,344	154,344	154,344	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	34,500	106,163	106,163	106,163	106,163	0
TOTAL MEANS OF FINANCING	<u><u>\$2,815,833</u></u>	<u><u>\$2,269,868</u></u>	<u><u>\$2,269,868</u></u>	<u><u>\$2,405,589</u></u>	<u><u>\$2,167,669</u></u>	<u><u>(\$102,199)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$1,214,897	\$921,617	\$921,617	\$939,167	\$858,211	(\$63,406)
Other Compensation	324,103	13,428	13,428	13,428	13,428	0
Related Benefits	199,585	151,385	151,385	154,626	147,220	(4,165)
Total Operating Expenses	627,380	608,036	608,036	620,195	567,244	(40,792)
Professional Services	128,057	176,891	176,891	176,891	176,891	0
Total Other Charges	320,948	369,675	369,675	369,675	369,675	0
Total Acq. & Major Repairs	863	28,836	28,836	131,607	35,000	6,164
TOTAL EXPENDITURES AND REQUEST	<u><u>\$2,815,833</u></u>	<u><u>\$2,269,868</u></u>	<u><u>\$2,269,868</u></u>	<u><u>\$2,405,589</u></u>	<u><u>\$2,167,669</u></u>	<u><u>(\$102,199)</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	15	11	11	11	9	(2)
Unclassified	9	11	11	11	11	0
TOTAL	<u><u>24</u></u>	<u><u>22</u></u>	<u><u>22</u></u>	<u><u>22</u></u>	<u><u>20</u></u>	<u><u>(2)</u></u>

SOURCE OF FUNDING

This program is funded with State General Fund, Fees and Self-generated Revenues, Statutory Dedicated Funds and Federal Funds. The Fees and Self-generated Revenues are generated from: (1) a fee of up to 3% of the total assessments collected for the Rice Research and Promotion Boards, the Soybean and Grain Promotion Board, and the Crawfish Promotion Board; (2)

interest collected from the Market Commission Loan Program; (3) reimbursement from the Southern United States Trade Association (SUSTA) for 100% of the director's salary, related benefits, etc.; (4) a fee of \$10.00 collected biannually for subscriptions to the Market Bulletin; and (5) miscellaneous revenues collected for booth rentals at food shows. Statutory Dedicated Revenues are the result of interest income and fees collected with any bonds issued by the Agricultural Finance Authority. (Per R. S. 39:32B.(8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.) The Federal Funds are derived from: (1) USDA for collecting statistical livestock and crop data; (2) USDA for baled pine straw research project; and (3) USDA for telephone costs.

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
Louisiana Agricultural Finance Authority Fund	\$0	\$154,344	\$154,344	\$154,344	\$154,344	\$0

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$1,680,041	\$2,269,868	22	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$1,680,041	\$2,269,868	22	EXISTING OPERATING BUDGET – December 15, 2000
\$13,783	\$13,783	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$7,008	\$7,008	0	Classified State Employees Merit Increases for FY 2001 -2002
\$35,000	\$35,000	0	Acquisitions & Major Repairs
(\$28,836)	(\$28,836)	0	Non-Recurring Acquisitions & Major Repairs
(\$23,073)	(\$23,073)	0	Salary Base Adjustment
(\$18,662)	(\$18,662)	(1)	Attrition Adjustment
(\$46,627)	(\$46,627)	(1)	Personnel Reductions
(\$40,792)	(\$40,792)	0	Reduction of operational expenses to anticipated needs
\$1,577,842	\$2,167,669	20	TOTAL RECOMMENDED

The total means of financing for this program is recommended at 95.5% of the existing operating budget. It represents 71.5% of the total request (\$3,031,525) for this program.

PROFESSIONAL SERVICES

\$154,861	Legal - Albondi, Gelpi, etc.
\$2,030	Accounting and Auditing services
\$20,000	To be Determined - Contracts deemed necessary by the Department to carry out its mission
\$176,891	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$10,643	US Trade Associations
\$94,970	FFA and LSU Ag Center Educational agreements
\$11,245	Cooperative Agreement with FFA and LSU and the Department
\$12,759	Southern University Business Representative
\$46,500	Mexico Office
\$30,000	Media Contract (Gus Weill)
\$89,643	Egg Incentive Program
\$43,915	Marketing Clean Water Program
\$30,000	To be determined - Contracts deemed necessary to carry out the mission of the Department
\$369,675	SUB-TOTAL OTHER CHARGES
\$369,675	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$35,000 Replacement of one vehicle and various office equipment

\$35,000 TOTAL ACQUISITIONS AND MAJOR REPAIRS